

Washington State Department of Revenue
REAL ESTATE EXCISE TAX AFFIDAVIT/RETURN
Form No. 84-0001B
CHAPTER 82.45 RCW - CHAPTER 458-61 WAC

Mail Completed Form To:
Department of Revenue
Miscellaneous Tax Section
PO Box 47464
Olympia, WA 98504-7464

This form must be used for reporting transfers of controlling interest and for buyer disclosure to the Department of Revenue. (Use Form No. 84-0001A for reporting transfers of deed or real estate contract to the county treasurer of the county in which the real property is located.)

1	TRANSFEROR	2	TRANSFeree
Name _____		Name _____	
Street _____		Street _____	
City _____ State _____ Zip _____		City _____ State _____ Zip _____	
Unified Business Identifier No. _____		Unified Business Identifier No. _____	
Federal Identifier No. _____		Federal Identifier No. _____	
Percent of Entity Ownership Sold _____ %		Percent of Entity Ownership Bought _____ %	

Attach list for multiple sellers or buyers; include percentage sold or bought for each.

3	AFFIDAVIT	AFFIDAVIT
I certify under penalty of perjury under the laws of the state of Washington that the information on this return is true and correct.		I certify under penalty of perjury under the laws of the state of Washington that the information on this return is true and correct.
Signature of Transferor/Agent _____		Signature of Transferee/Agent _____
Name (print) _____		Name (print) _____
Date & Place of Signing _____		Date & Place of Signing _____
Telephone Number () _____		Telephone Number () _____

4	Name and address of entity whose ownership was transferred:	Type of entity (check one):
Name _____		<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Limited Liability Company
Street _____		
City _____ State _____ Zip _____		
Unified Business Identifier Number _____		
Federal Identifier Number _____		

5	Attach list of other entities which are owned 50% or more by the entity which was transferred. List names and addresses and attach real property disclosure for these “second-tier” entities.
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6	REAL PROPERTY VALUES: (Attach extra sheet, if necessary)
A. Total true and fair value of real property in the state of Washington owned by the entity (named in Block #4) whose ownership was transferred: \$_____.	
B. List real property parcel numbers and values by location codes from the State and Local Real Estate Excise Tax Rate Schedule (Form REV 84 0013) at your county treasurer’s office or Department of Revenue (address above).	

Location Code	County Tax Parcel No.	True & Fair Value	Location Code	County Tax Parcel No.	True & Fair Value
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$
		\$			\$

7	TAX COMPUTATION:
1. Using the State and Local Real Estate Excise Tax Rate Schedule, multiply the total true and fair value of all real property in the state of Washington (from 6a above) by the state tax rate. Show the total state tax on line 1, below.	
2. Using the same tax rate schedule, compute the local tax for each location code; multiply the total true and fair value for property within each location code by the local tax rate for that location code. Show the total local tax on line 2, below. Attach a copy of your worksheet.	
3. If you owe interest or penalty, write that amount on the appropriate line below. (See RCW 82.45.100)	
4. Add lines 1 through 5; this is your total due. Make check or money order payable to Washington State, Department of Revenue.	
Date of Transfer ____ / ____ / ____	
If tax exemption is claimed, provide reference to WAC Title and Number _____	

<i>Department Of Revenue Use Only</i>	1. State Tax	\$
	2. Local Tax	\$
	3. State Delinquent Interest	\$
	4. Local Delinquent Interest	\$
	5. State Delinquent Penalty	\$
	TOTAL DUE	
		\$

Please use a current Real Estate Excise Tax Rate schedule (Form REV 84 0013) when computing the tax due. This schedule is available at your County Treasurer’s office or by calling the Miscellaneous Tax Section, Department of Revenue (360) 753-5545. Questions regarding the taxability of transactions should be directed, in writing, to the Miscellaneous Tax Section, Department of Revenue, PO Box 47477, Olympia, WA 98504-7477.

The following information is extracted from WAC 458-61-025: Definitions.

- (a) The term “transfer of a controlling interest in an entity” means the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration. For purposes of this subsection, all acquisitions of persons acting in concert shall be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place.
- (b) “Controlling interest” means: (i) In the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of the corporation entitled to vote, or fifty percent of the capital, profits, or beneficial interest in the voting stock of the corporation; and; (ii) In the case of a partnership, association, trust, or other entity, fifty percent or more of the capital, profits, or beneficial interest in such partnership, association, trust, or other entity.
- (c) The terms “person” or “company” are herein used interchangeably, means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the state of Washington, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise and the United States or any instrumentality thereof.
- (d) “True and fair value” means market value which is the amount of money which a willing, but unobliged, buyer would pay a willing, but unobligated, owner for real property, taking into consideration all reasonable, possible uses of the property.
- (e) The “twelve month period” is any twelve months and may span two calendar years. The twelve month period begins at the first transfer or acquisition of any controlling interest and may relate back or forward as far as twelve months from the first transfer or acquisition of the interest.
- (f) “Acting in concert” occurs: (i) When one or more persons have a relationship with each other such that one person influences or controls the actions of another through common ownership. For example, if a parent corporation and a wholly-owned subsidiary each purchase a 25% interest in an entity, the two corporations will be considered to have acted in concert to acquire a controlling interest (i.e. 50%) in the entity; (ii) Where individuals or entities are not commonly controlled or owned but the unity with which purchasers have negotiated and will consummate the acquisition of ownership interests indicates that they are acting as a single entity.

In General. In order for the tax to apply when the controlling interest in an entity which has an interest in real property in this state has been transferred, the following elements must have occurred:

- (a) The transfer or acquisition of the controlling interest must have occurred within a twelve month period;
- (b) The controlling interest must have been acquired by a single person, or a group of persons acting in concert which aggregate to a controlling interest;
- (c) The entity must have an interest in real property located in this state; and,
- (d) The transfer is not otherwise exempt under Chapter 82.45 RCW and Chapter 458-61 WAC.

Measure of the Tax. The measure of the tax is the selling price. The selling price shall be the true and fair value of the real property owned by the entity and located in this state. The true and fair value may be determined by a fair market value appraisal of the property or by an allocation of assets by the seller and the buyer made pursuant to section 1060 of the Internal Revenue Code of 1986. If the true and fair value of the property to be valued at the time of the sale

cannot be reasonably be determined, the market value assessment for the property maintained on the county property tax rolls at the time of the sale shall be used as the selling price.

Example 1 - A partnership owns real property and consists of two partners, A and B. The true and fair value of the real property owned by the partnership is \$100,000. Each has a 50% partnership interest. A transfers it’s 50% interest in the partnership to B for valuable consideration. The taxable selling price is the true and fair value of the real property owned by the partnership, or \$100,000.

Example 2 - B corporation owns real property and consists of three stockholders, X, Y and Z. The true and fair value of the real property owned by the corporation is \$200,000. X, Y and Z each own one-third interest of the corporation. X and Y transfer their two-thirds interest in the corporation to Z for valuable consideration. The taxable selling price is the true and fair value of the real property owned by the corporation, or \$200,000.

Date of Sale. Where the controlling interest is acquired in one transaction, the actual date of transfer of the controlling interest shall be considered the date of sale. Examples of when an interest in an entity is transferred includes when the payment is received by the seller and the shares of stock are delivered to the buyer, or when payment is received by the seller and partnership documents are signed, etc.

- (a) Where the acquisition of a controlling interest involves the aggregation of interests of persons acting in concert, the selling price of each transfer or acquisition shall be determined as the actual date of that transfer or acquisition. The actual date control is transferred, not the date of the contract arranging the transfer, determines if the transactions falls within the twelve month period.

Tax Liability. Where there is a transfer or acquisition of a controlling interest in an entity that has an interest in real property on or after July 1, 1993, in general, the seller of the interest is liable for the tax.

- (a) Where the seller has not paid the tax by the due date and neither the buyer nor the seller has notified the department of the sale within 30 days of the sale, the buyer will also become liable for the tax.
- (b) Where the controlling interest is transferred by a series of sales, each seller is liable for its proportional share of the tax valued on the date of sale.

Filing of Returns. For a sale of a beneficial interest in real property where a tax is due under this chapter and where no instrument is recorded in the official real property records of the county in which the property is located, the sale shall be reported to the department.

- (a) The sale shall be reported within five days from the date of the sale on the Department of Revenue Affidavit Form, 84-0001B.
- (b) The Affidavit Form shall be signed by both the seller and the buyer and shall be accompanied by payment of the tax due. The affidavit form shall also be used to disclose the sale, in which case; (i) It shall be signed by either seller or the buyer, dependent on the status of the person making disclosure; (ii) It shall be accompanied by payment of the tax due only when submitted by the seller.
- (c) Any person who intentionally makes a false statement on any return or form required to be filed with the department under this chapter shall be guilty of perjury.

Due Date, Interest and Penalties. The tax imposed is due and payable immediately at the date of sale. Please see RCW 82.45.100 for interest and penalty computations.

Exemptions. As the transfer and acquisition of a controlling interest in an entity which owns real estate in this state is statutorily defined as “sale” of the real property owned by the entity, the exemptions of Chapter 82.45 RCW also apply to the sale of a controlling interest.

To inquire about the availability of this form in an alternate format for the visually impaired or a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at <http://www.wa.gov/dor/wador.htm>. Under the “Forms” hot button, go to “Other Forms and Schedules”.